

## Managing Director & CEO's Message on AML & CFT issues in the NBFIs for the year 2025


My Dear Colleagues,

I want to express my heartfelt appreciation for your contributions to countless contributions and dedication in combating Money Laundering (ML) and Terrorist Financing (TF) in the year 2024. You all know that Money laundering (ML) has become a matter of great concern around the world having profound negative impacts on both economy and society. Different types of perils such as reputational risk, operational risk, legal risk and concentration risk may be emerged due to ML. So, it is very important that all employees must be aware of and strictly comply with applicable laws, regulations and ethical standards for banking.

To enhance the pace of the on-going fight against ML & TF, BFIU has taken initiatives to sign Memorandum of Understanding (MoU) with the relevant stakeholders in domestic level and international level. As part of that process, BFIU has signed MoU with other law enforcement agencies and supervisors like Bangladesh Police, Anti-Corruption Commission (ACC), Department of Narcotics Control (DNC), Bangladesh Securities & Exchange Commission (BSEC) and Insurance Development and Regulatory Authority (IDRA). In order to facilitate international cooperation and strengthen bi-lateral relationship, BFIU has signed so far 81 MOUs with its foreign counterparts where they exchange information and extend cooperation to fight against ML, TF and related offences efficiently and effectively.

As you all know that as per Money Laundering Prevention Act 2012, the NBFIs officials have the following 4 (Four) responsibilities in the prevention of Money Laundering:

1. Collect complete and correct information with regard to the identity of the customer during the operations of the customer.
2. If any account of a customer is closed, preserve the previous record of transaction of such account for at least 5 (years) from the date of such closure.
3. Provide the information maintain under the above clause 1 and 2 to BFIU from time to time, on its demand.
4. If any doubtful transaction or attempt of such transaction then report to "suspicious transaction report immediately.





To comply the above-mentioned responsibilities, we have to follow the below mentioned instructions as per BFIU Circular No. 28 dated May 30, 2023 —

1. Proper Know Your Customer (KYC),
2. Proper Customer Due Diligence (CDD),
3. Proper of Enhanced Due Diligence (EDD),
4. Regularly update of TP and KYC,
5. Sanction screening
6. Record keeping,
7. Reporting of CTR & Self-Assessment Report
8. Transaction monitoring
9. Raise STR/SAR and report to BFIU.

All the employees of SFIL Finance are being instructed to comply with all the mentioned issues and also comply the instructions as laid down in the ML & TF Risk Management Guidelines, Trade Based Money Laundering Guidelines and other related circulars and guidelines of BFIU. Please note that all the guidelines and circulars have already been communicated/circulated to you from time to time with instruction for strict adherence.

Presently, Bangladesh faces numerous challenges to present Credit Backed Money Laundering due to involvement of multiple parties in the credit processing. So, we should be more cautious to deal with credit related activities like borrower selection, assessment of the borrower's business; scrutiny of various documents related to primary and collateral securities, analysis of financial statements, legal formalities etc. All the concern branches and divisions/departments are instructed to follow the below mentioned techniques which help to present Credit Backed Money Laundering:

- checking and verifying customers' background,
- nature of business,
- beneficial owner identification,
- analyzing of the purpose of the loan,
- conducting borrower due diligence,
- monitoring credit transaction profile,
- maintain regulatory frameworks,
- avoiding of undue influence at the approval stage of credit,
- arrangement of proper training and awareness among the bank officials

if any suspicious activities or transactions found, raise SAR/STR & inform the matter to CAMALCO.

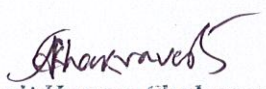
HR Department will continue AML & CFT related training program for the new employees and refresher training program for the existing employees. Beside this, HRD also arrange training program regarding Trade Based Money Laundering and Credit Backed Money Laundering to ensure meticulous compliance of the BFIU recommendations. It is mentionable that HR Department successfully arranged



AML training in the year 2024 where Additional Director of BFIU Mr. Md. Moshir Rahman attended in the training with his team and discussed in details that how to improve the AML rating of our institute. So, you all are instructed to follow the instructions to improve the compliance level of our organization.

I want to express my gratitude to all my colleagues for their consistent effort and have a good faith that everyone will do their best part to strengthen the compliance status of SFIL Finance and would like to cheer the team to put up their best effort over the year of 2025.

With Best wishes,

  
Asit Kumar Chakravorty  
Managing Director & CEO